

## 518.124 Agricultural Operation Delineation Examples

**Example #1:** Producer A owns 1,000 acres of eligible private agricultural land. Producer A is also the operator of these 1,000 acres. Producer A must, **at a minimum**, identify all of these owned acres as a part of their agricultural operation.

Producer A also leases another 2,000 acres of eligible private agricultural land from producer B. The lease agreement is based upon cash rent. In this case, producer B is not eligible to sign up the 2,000 acres as the applicant, since they do not share in the risk of producing the agricultural commodities. However, producer B can be included in the conservation stewardship contract as a participant and the percentage of the payment that each would receive would be determined by producer A and B.

In this same example, if the lease agreement was on a share basis, it would need to be determined if producer A has the control or producer B has the control. If producer A has the control, the 2,000 acres of leased land would need to be included with producer A's 1,000 owned acres. If producer B has the control, the 2,000 acres would be included in their own agricultural operation and they would be eligible to apply for CSP.

**Example #2:** Producer A owns 1,000 acres of eligible private agricultural land and also leases 3,000 acres of state and federal land. Producer A has control over the state and federal land. Producer A must include the 3,000 acres of state and federal land in their agricultural operation and are responsible for those acres meeting all appropriate program eligibility, as applicable, even though those acres themselves are not eligible to receive a payment.

In this same example, if producer A does not have control over the 3,000 acres of state and federal land, those acres will not be part of their agricultural operation.

**Example #3:** A Native American Indian tribe wants to enroll 4,000 acres into CSP. The tribe owns these acres and has control of these acres. The tribe is eligible to be the applicant and apply for these acres in CSP. Keep in mind the contractual limits and the fact that each program participant will only receive payments from one conservation stewardship contract. However, the Chief may make exceptions for land allotted by the BIA, Tribal lands, or other instances of communal lands in which the Chief determines that it is impractical for all allotted lands held in trust to be enrolled as one contract.

**Example #4:** Producer A owns 1,000 acres of eligible private agricultural land within an approved watershed. Producer A applies for and receives a conservation stewardship contract upon those acres. Producer A is also a part of partnership B.

Partnership B is eligible to apply for CSP because it is a unique business entity. Applicants that are entities must file a single application for the joint operation or organization.

**Example #5:** Producer C cash rents 5,000 acres of land that is all under one USDA farm number with the landlord. Producer C has control of the entire 5,000 acres. The 5,000 acres is made up of several different landuses captured under several different tract numbers. Producer C can meet Tier III on all the cropland acres, but can only meet the minimum level of treatment on the rangeland acres. Producer C can not ignore the rangeland acres. The whole USDA farm must be considered a part of the agricultural operation; therefore the applicant could only be eligible for Tier II if they agree to address another locally significant

resource concern applicable to their watershed to be completed by the end of the contract period.

In this same example, if there was a specific tract within the USDA farm that had a separate landowner/operator relationship and producer C did not have control of that specific tract, that tract's acreage will be left out of the agricultural operation.

In this same example, if producer C operated 2,000 of the 5,000 acres as cropland and only had control of those acres and producer D operated the other 3,000 acres as rangeland and only had control of those acres, each producer would include the appropriate acreage under their own agricultural operation.

**Example #6:** Producer E cash rents 6,000 acres of cropland and has control of all 6,000 acres. 4,000 of the acres are located in the United States and 2,000 of the acres are in Canada.

Producer E must include the 2,000 acres of Canadian land in their agricultural operation and are responsible for those acres meeting all appropriate program eligibility, as applicable, even though those acres themselves are not eligible to receive a payment.